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SUBJECT: American Companies in Guangdong Take Lead in Adopting
HIV/AIDS Workplace Awareness Programs

REF: Shenyang 0069

(U) This document is sensitive but unclassified. Please protect accordingly.

1. (U) Summary: HIV/AIDS awareness training, especially its transmission sexually, has increasingly become a priority for U.S. firms - like New Balance, Nordstrom, Levi Strauss and Wal-Mart - with suppliers and migrant workers in south China. Winning support from factory management is often the key to the success of such programs. Other challenges include high turnover rates and workers who are not receptive to awareness training. International organizations, non-governmental organizations (NGOs), and provincial and local government have all played a role in these initial efforts. End summary.

HIV/AIDS Training in Factories: Why Now?

12. (SBU) Sexual transmission has been the dominant form of transmission of HIV/AIDS in China since 2005, according to the Ministry of Health. U.S. firms with suppliers in the Pearl River Delta are taking notice, and their corporate social responsibility priorities increasingly include HIV/AIDS awareness training. Crystal Xiong, New Balance's footwear compliance manager, explained that her firm realized that many of its suppliers' employees, almost 100 percent migrant workers, were engaging in risky sexual behavior and lacked education and awareness about HIV/AIDS. New Balance - along with Nordstrom, Levi Strauss and Wal-Mart - is taking a more proactive approach to increase HIV/AIDS awareness among factory workers. It is in discussions with Nike and Adidas about possible cooperation on these efforts as well. Thomas Cai of AIDS Care China, an unregistered Chinese NGO, commented that these initiatives have also been spurred by the presence of HIV/AIDS awareness programs sponsored by the Gates and Clinton Foundations in China.

Third-Party Coordinators Play a Key Role

3.(SBU) Organizations like the International Labor Organization (ILO) and Business for Social Responsibility (BSR) have been working closely with foreign companies to facilitate awareness training programs in Guangdong factories. The ILO is working with 19 foreign companies whose suppliers employ a combined total of 120,000 workers. Their efforts have focused mainly on male migrant workers with the objectives of changing high-risk behavior, such as frequenting commercial sex workers, and decreasing discrimination against workers who are HIV positive. Liang Manguang, who was appointed by the Guangdong Labor Department to help coordinate the

ILO project, stressed that these programs are necessary to educate Guangdong's 20 million migrant workers who are mostly young, far away from home and likely to engage in risky behavior.

14. (U) BSR, a non-profit membership organization that promotes corporate social responsibility, is working with Nordstrom on a program that focuses on women's reproductive health and HIV/AIDS awareness. They have implemented a pilot project in the factories of five Nordstrom suppliers located in Guangdong, which they hope to make permanent by the end of this summer. BSR is recruiting other brands for similar programs.

Supportive Local and Provincial Governments

15. (SBU) Representatives from ILO, BSR, and AIDS Care China told consulate officer that Guangdong's provincial and local governments are relatively open to HIV/AIDS awareness initiatives. Richard Howard, Chief Technical Advisor for the ILO's HIV/AIDS Workplace Education Program in China, attributed this openness in part to Guangdong's strong market orientation. BSR's China director, Zhou Weidong, highlighted close cooperation with the Guangdong Family Planning Commission (GD FPC) as a partner, noting its presence at every level of government and even in factories. The GD FPC has worked with BSR to incorporate HIV/AIDS education into an existing reproductive health curriculum. The ILO has also offered to GD FPC's large corps of trainers training on HIV/AIDS awareness education.

Management is Key to Success

GUANGZHOU 00000500 002 OF 002

16. (SBU) BSR's Zhou underscored that whether HIV/AIDS awareness programs are implemented and ultimately successful in a factory really depends on management. He said that BSR was still having trouble convincing factory managers because they could not tie it directly to a factory's productivity and efficiency. Many managers are reluctant to interrupt production to make time for training programs. Nordstrom encouraged all 15 of its factories to participate in its HIV/AIDS awareness program, but only five chose to do so, and ultimately, only three factories said that they would continue the program.

Other Challenges

17. (SBU) U.S. companies face other challenges in implementing effective education and awareness programs. Most companies have high turnover rates; this not only makes training difficult to implement, but it also makes it difficult to assess the program's success. For example, one firm that implemented HIV/AIDS awareness training has a turnover rate of 9-10 percent per month. Another obstacle is workers who are not receptive to awareness training. Huang Dongming, Director of the Female Worker's Department of the Guangdong Trade Union, commented that most migrant workers are not enthusiastic about such training because they still think the chances of contracting HIV/AIDS are very remote and would rather spend their time in other ways - an observation shared by other companies and organizations with which we spoke.

Success Story: Yue Chen Shoes Manufacturers

18. (SBU) According to Xiong, one of New Balance's biggest success stories has been Yue Chen Shoe Manufacturers because its management places a high premium on improving workers' lives. Yue Chen, with the help of the ILO, has established an AIDS prevention team and sets aside time for workers to receive basic training. In addition, it includes HIV/AIDS prevention information in its internal business magazine and incorporates HIV/AIDS prevention education into

unrelated activities, such as short educational videos which are shown at the beginning of movie screenings offered as entertainment.

Yue Chen found that a lot of workers were initially afraid of AIDS because they didn't understand the disease, and their fear fueled discriminatory sentiments. However, a survey revealed that after implementing awareness training, discriminatory attitudes towards those infected with HIV/AIDS fell from 80.5 percent to 10.6 percent.

New Balance hopes that it can use success stories like Yue Chen to entice other suppliers to adopt similar programs.

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